

MEMORANDUM

MEMO BY Roger T. Pelote TO Ronald L. Nelson DATE June 27, 1983
FILE TITLE IPP Air Quality Permit Modification

Dave Kopta, DOH Staff Engineer, telephoned me this morning with the following information:

1. Brent Bradford will be out of town until July 5, therefore the meeting to discuss the preliminary findings of DOH for the IPP permit modification has been rescheduled from June 30 to July 6 in Salt Lake City. DOH still plans to present their findings to the Utah Air Conservation Committee on July 7.

2. DOH findings in principle are as follows:
- a) Approval of baghouse with no new conditions
 - b) Approval of SO₂ scrubber with a new emission limit of 0.140 lb/10⁶ Btu (EPA limit was 0.150)
 - c) New NO_x emission limit of 0.50 lb/10⁶ Btu (EPA limit was .55)
 - d) New requirement to provide room for possible future retrofit of SCR.

Regarding item 2b, Dave conceded that the mandatory economic evaluation of this new permit condition has not been done by DOH.

Regarding item 2c, Dave said DOH concluded that the existing boiler design can achieve .50 based on "Draft Final Report, Louisville Gas & Electric Co., Millcreek No.3 Unit, Long Term Optimum Performance/Corrosion Tests of Combustion Modifications for Utility Boilers" EPA No. 6802269G.

Regarding item 2d, this is to facilitate retrofit that could be required by future acid rain legislation.

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The DOH findings are apparently staff recommendations that have not been reviewed in detail by Mr. Bradford, since he has been out of town for most of the past week. His schedule suggests that he may be trying to avoid lengthy negotiations with the Project.

After discussions with our legal counsel (Henry Nickel, Andrea Bear & Jim Holtkamp) we concur in recommending the following course of action:

- o Request a delay in DOH's public issuance of the Notice of Intent (NOI) in order to allow a reasonable period of time to consider information provided by the Project.
- o It appears unlikely that such a request will be granted; however, since Mr. Bradford has committed to announcing his findings at the Utah Air Conservation Committee meeting on July 7.
- o High level contact with Mr. Bradford prior to the July 6 meeting to convince him that the proposed new permit conditions are not reasonable and are contrary to the goal of avoiding unnecessary litigation since they are unlikely to satisfy the intervenors, are not technically or legally justifiable, may necessitate litigation by the Project, and will make it difficult to change back to the appropriate conditions after the NOI has been issued.
- o Preparation of a rebuttal to DOH's conclusion that 0.14 lb/10⁶ Btu of SO₂ will be achievable with coal blending by a Project coal supply engineer.

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- Preparation of a rebuttal to DOH's conclusion that 0.50 lb/10⁶Btu of NOx will be achievable with the existing boiler design by Lowell Smith of KVB.
- Preparation of a statement addressing the economic impacts of each of the proposed new permit conditions including Project liability for meeting emission rates below contractually guaranteed levels, possibility of load limiting, possible adverse impact on the bond market, and the minimal nature of probable benefits.
- Completion of the submittal to DOH that will state the Project's legal position in detail, summarize our technical submittals as supporting a finding that no new permit conditions are warranted, and responding to certain intervenor's claims that have a potential for creating legal problems.

Roger T. Pelote

cc: Henry Nickel
Andrea Bear
Jim Holtkamp
James Anthony
Jim Mieding
Roger Pelote
Tim Conkin